Financial/Investment Planning:
Myth and Reality

Myth	Reality
If someone makes money, someone else loses it.	The stock market is not a "zero sum" game. No one has to lose money for someone else to make money. While the founder of a successful corporation can become very wealthy, so too can many others, including investors who contribute the capital that helps get the business off the ground, employees who help make the business a success, and the government, which will be rewarded through the payment of additional taxes. When a public company makes money, lots of people benefit.
The stock market will always go up.	The markets go down as well as up, and individual stocks can and do decrease in value. Taken as a whole, however, the trend in the stock market continues upward. But in the short-term it can be volatile. That is why investors are advised to do their homework, buy stock in solid companies, and then hold onto it for the long term.
The markets are fixed.	A comprehensive system of state and federal regulation and industry self-regulation in the United States has resulted in the fairest and most efficient securities markets in the world. Although fraud still occurs, it is rare in relation to the volume of transactions that take place every day.
Investing is nothing more than gambling.	Investing isn't gambling or baseless speculation. It is taking reasonable risks to earn steady rewards. Unlike gambling, the odds are in the consumer's favor when money is invested wisely. Another key difference: A winning strategy in investing is based on knowledge, rather than random chance.